

**Exhibit 3.4**

**Instructions for Optional Worksheet  
Detail of Data Month or Retroactive Adjustments**

**PURPOSE**

This worksheet is an optional form to help you determine and compute adjustments. It also provides supporting detail for all changes reported on the EC1070-I. You may retain this form within your company.

**HEADING**

- Month/Year* - Month and year you are reporting data to the system.
- Company* - Name of Exchange Carrier.
- Study Area* - Six digit code assigned by NECA.

**Revised Data**

This is the data that resides in your internal records. It is what the affected month's pooling data should have reflected.

**Latest View Settlement Data**

This data can be retrieved from the NECA Settlement System. It is the latest view for the data month being adjusted.

**Adjustment**

This is the **difference** between the revised data and the latest view settlement data.

**NOTE:** For RAs, fill in data comment by describing, in detail, the reason for the adjustment including the item being adjusted.

When reporting dollar amounts, round to the nearest whole dollar.

**Exhibit 3.5**

**Instructions for Optional Worksheet to Compute Spread Adjustments**

**GENERAL COMMENTS**

Since the worksheet is an optional form to help you compute the spread adjustment amounts, please retain this with your records.

Round all dollar amounts to the nearest whole dollar. When the adjustment for the from/through period is not evenly divisible by the number of months in that period, the excess amounts will be applied to the last month in the period.

**HEADING**

- Month/Year* - Month and year from/through for which you are reporting adjustments into the settlement system.
- Company* - Name of exchange carrier.
- Study Area* - Six digit code assigned by NECA.

**Revised Data**

This is what the pooling data in the from/through period should have reflected. This data resides in your internal records.

**Latest View Settlement Data**

This is the latest view for all the data months being adjusted. You can retrieve this from the NECA Settlement System (*EC1070-SL*) for the same from/through period selected.

**Adjustment**

This **difference** amount reflects the required adjustments from/through period to the latest view based upon the EC's most current financial data. This amount will be input through the spread adjustment option and then **spread evenly over the selected from/thru period**.

**Control Total**

Sum of column totals for system verification of input data.

**Data Comments Required for SPR**

Describe in detail the reason for the Spread Adjustment including the item being adjusted.

**Prepared By**

Use this field to identify the person who entered the data on the EC1070-I form.

**Certified By**

Use this field to certify all settlement data submitted to NECA on the EC1070-I form. Pursuant to FCC Rules, Section 69.601, an Exchange Carrier officer or employee responsible for the preparation of monthly settlement data, and authorized to execute the certification, is required to certify the settlement data submitted to NECA.

**Exhibit 3.6**

**NATIONAL EXCHANGE CARRIER ASSOCIATION  
MONTHLY SETTLEMENT CERTIFICATION**

Study Area or Company Name \_\_\_\_\_  
Study Area Code \_\_\_\_\_

Date \_\_\_\_\_

**DATA CERTIFICATION**

I am (see name(s) printed below) . I hereby certify that I have overall responsibility for the preparation of all data submissions for \_\_\_\_\_ and that I am  
(Name of Carrier)  
authorized to execute this certification. Based on information known to me or provided to me by employees responsible for the preparation of the data in the monthly submissions, I hereby certify that the data have been examined and reviewed and are complete, accurate, and consistent with the rules of the Federal Communications Commission.

YEAR (     )

<u>SETTLEMENT CYCLE</u>	<u>(PRINT) NAME</u>	<u>CERTIFYING SIGNATURE</u>	<u>TITLE</u>	<u>DATE CERTIFIED</u>
JAN	_____	_____	_____	_____
FEB	_____	_____	_____	_____
MAR	_____	_____	_____	_____
APR	_____	_____	_____	_____
MAY	_____	_____	_____	_____
JUNE	_____	_____	_____	_____
JULY	_____	_____	_____	_____
AUG	_____	_____	_____	_____
SEPT	_____	_____	_____	_____
OCT	_____	_____	_____	_____
NOV	_____	_____	_____	_____
DEC	_____	_____	_____	_____

Pursuant to FCC Rules (Section 69.601), Exchange Carriers are required to certify monthly settlement data submitted to NECA.

This form is to be used to certify monthly settlement data (EC1070-I) submitted to NECA. The completed form should be maintained monthly by the company and submitted to NECA by February 1 following the calendar year being certified. NECA and/or FCC staff may request to review the certification form at any time during the year. (FCC Rules state that persons making willful false statements in this data submission can be punished by fine or imprisonment under the provisions of the U.S. Code, Title 18, Section 1001.)

## **SECTION 4**

### **Common Line Pool Reporting**

This section contains line reporting instructions to help you complete the EC1070-I for the Common Line Pool. Where there is additional information for a line number, an asterisk appears next to that line number and you can find the additional information in the narrative that follows. Your NECA Regional Office can answer further questions on developing monthly settlement amounts.

#### **Common Line**

- Access Minutes
- Access Lines in Service

#### **Carrier Common Line**

- Premium Earned Revenue
- Non-Premium Earned Revenue
- Special Access Surcharge
- Net Realized Uncollectibles
- Net Earned Revenue
- Earned Revenue
- Net Realized Uncollectibles
- Net Earned Revenue
- Other

#### **Additional Reporting Information**

- Access Billing Claim Adjustments
- Net Realized Uncollectibles

#### **Exhibits**

- Access Line Count Guide

## Data Entry Instructions for the EC1070-I

<u>Line Number</u>	<u>Item Requested</u>	<u>Definition and Reporting Procedures</u>
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1	CL Access Minutes	
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Includes:

- all Feature Group A, B, C, and D interstate access minutes of use switched in a Class 5 end office

Excludes:

- the closed end of WATS/800 service.

2	Access Lines in Service	
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Includes:

- all common lines from a customer premises
- for multiparty service - only those working lines that terminate on a main frame of a central office
- semi-public paystations
- access lines used for customer owned coin operated telephone sets (COCOTS)
- employee concession lines.

Excludes:

- all interstate and intrastate dedicated WATS
- special access lines
- off-premises extensions
- public telephone paystations
- company official lines
- official test (non rev. prod.)
- mobile telephone/pager lines.

*For additional help see Access Line Count Guide, Exhibit 4.1.*

**Line Number** **Item Requested**

**Definition and Reporting Procedures**

\*3 Carrier Common Line  
Premium Earned Rev.

FGC & FGD revenue earned at premium rates.  
FGA & FGB revenue earned at premium rates after  
end office conversion to equal access.

Includes:

- interstate (*interLATA*, *intraLATA* and *corridor*)  
access revenue
- revenue from revenue sharing agreements in equal  
access end offices.

Excludes:

- message toll service revenue
- FGA & FGB revenue at non-premium rates in a  
non-equal access end office.

\*4 Carrier Common Line  
Non-Prem. Earned Rev.

FGA & FGB revenue earned at non-premium  
rates.

Includes:

- revenue associated with FGA & FGB access  
minutes in non-equal access end offices
- revenue from revenue sharing agreements in non-  
equal access end offices.

\*5 Carrier Common Line  
Special Access Surcharge

Revenue earned by applying a flat rate  
charge to the number of special access lines to which  
the surcharge applies.

\*6 Carrier Common Line  
Net Realized Un-  
collectibles

Interstate access revenue that the  
company is lawfully entitled to receive  
but which is impossible/impracticable to collect.  
Amount reported must be realized uncollectibles that  
have actually been written off. Uncollectible revenue  
may be reported to the pool in the month realized by  
the exchange carrier.

Includes:

- amounts determined to be uncollectible
- offset for any previously reported  
uncollectibles that have been recovered.

*\* Additional reporting information for this item appears on page 4-5.*

<u>Line Number</u>	<u>Item Requested</u>	<u>Definition and Reporting Procedures</u>
7	Carrier Common Line Net Earned Revenue	<b><u>Calculation:</u></b> Line 3+Line 4+Line 5-Line 6
8	End User Earned Revenue	Revenue generated from the subscriber line charges.  <b><u>Includes:</u></b> <ul style="list-style-type: none"><li>● residential and single line business</li><li>● Centrex line charges</li><li>● each line provided to multiline business subscribers.</li></ul>
9	End User Net Realized Un- collectibles	Interstate access revenue that the company is entitled to receive but which is impossible/impracticable to collect. Amounts reported must be realized uncollectible revenues that have actually been written off. End User uncollectibles may be reported to the data month in which the write-off occurred.  <b><u>Includes:</u></b> <ul style="list-style-type: none"><li>● amounts determined to be uncollectible</li><li>● offset for any previously reported uncollectibles that have been recovered.</li></ul>
*10	End User Net Earned Revenue	<b><u>Calculation:</u></b> Line 8-Line 9
11	Common Line Other	Reserved for special reporting conditions. All items reported on this line must be approved in advance by NECA.

*\* Additional reporting information for this item appears on page 4-5.*

## **Additional Reporting Information**

### **Lines 3 to 5 - Carrier Common Line Earned Revenue**

#### **Access Billing Claim Adjustments**

If an exchange carrier negotiates a reasonable billing adjustment amount with an interexchange carrier, it may report the full adjustment amount to the pool plus or minus interest. This is reported as either a reduction or increase in revenue. To make these adjustments, it is necessary to report them as DMAs or RAs to the data months to which the revenue was originally reported. Exchange carriers should notify NECA of potential significant billing adjustments prior to reporting them to the pool.

Interest billed to an interexchange carrier or other access customer for late payment of access revenue should not be reported to the pool. This is to reimburse the EC for its "cost of money" associated with the delinquent payment.

### **Line 6 and 9 Carrier Common Line Net Realized Uncollectibles**

Exchange carriers should notify NECA of significant outstanding accounts receivable by the 18th month from which they were earned. NECA will work with the exchange carrier to resolve the accounts receivable or claims. Uncollectible revenue may be reported to the pool in the month realized by the exchange carrier. It is important for exchange carriers to maintain adequate documentation of all collection efforts. Contact your region office for guidance.

Exchange carriers should not classify, in accounting terms, past due end user or CABS revenue as uncollectible until reasonable collection efforts have been exhausted. NECA's Tariff FCC No. 5 2.1.8 (A) states "The Telephone Company may, on thirty (30) days written notice to the customer by certified US Mail, take the following actions:

- refuse additional applications for service and/or refuse to complete any pending orders for service, and/or
- discontinue the provision of service to the customer."



**Exhibit 4.1**

**NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.  
LINE COUNT GUIDE**

	<u>1.3 USF LOOPS</u>	<u>PRESUBSCRIBED LINES</u>	<u>POOL ACCESS LINES</u>
10 TRUNKS WITH 100 STATIONS OFF CENTREX-CU	10	10	10
10 TRUNKS WITH 100 STATIONS OFF PBX	10	10	10
10-PARTY SUBSCRIBER LINES OFF REMOTE CONCENTRATOR	10	10	10
10 SUBSCRIBER LINES 1 PARTY BUS/RES	10	10	10
100 STATIONS OFF CENTREX-CO	100	100	100
100-1 PARTY SUBSCRIBER LINES OFF REMOTE SWITCH	100	100	100
2 PARTY LINE BRIDGED IN FIELD	1*	2	1
2 PARTY LINE BRIDGED IN CO	2	2	2
6-1 PARTY SUBS. OFF SUB. CXR	6	6	6
DIRECT INWARD DIAL	1	0	1
OFFICIAL COMPANY LINE	1	1	0
OFFICIAL TEST (NON REV. PROD.)	0	0	0
CONCESSION SERVICE	1	1	1
PUBLIC PAY STATION (TELCO. OWNED)	1	1	0
COPS OR COCOTS	1	1	1
SEMI PUBLIC PAY STATION	1	1	1
MOBILE TELEPHONE/PAGER	0	0	0
TOLL RESTRICTED	1	0	1
LD LOOPS (PREVIOUSLY CAT 1.35)	1	1	1
FGD UNASSIGNED "NO PICKS"	1	0	1
OFF PREMISE EXT	0/1**	0	0
SPECIAL ACCESS {e.g., WATS/800, Foreign Exchange (FX)}	0	0	0

NOTES:     \* ALL MULTIPARTY BRIDGED IN FIELD COUNTED AS 1 USF LOOP  
              \*\* COUNTED ONLY IF BRIDGED IN CO

## **SECTION 5**

### **Traffic Sensitive Pool and Lifeline Assistance Reporting**

This section contains line reporting instructions to help you complete the EC1070-I for the Traffic Sensitive Pool and for Lifeline Assistance reimbursement. Where there is additional information for a line number, an asterisk appears next to that line number and you can find the additional information in the narrative that follows. Your NECA Regional Office can answer further questions on developing monthly settlement amounts.

#### **Traffic Sensitive**

- Switched Access Minutes
- Switched Earned Revenue
- Switched Net Realized Uncollectibles
- Switched Net Earned Revenue
- Special Earned Revenue
- Special Net Realized Uncollectibles
- Special Net Earned Revenue
- TS Other

#### **Lifeline Assistance**

- Lifeline Connection
- End User SLC Waiver

#### **Additional Reporting Information**

- Traffic Sensitive Switched Access Earned Revenue
- Access Billing Claim Adjustments
- Meet Point Billing
- Net Realized Uncollectibles

## Data Entry Instructions for the EC1070-I

<u>Line Number</u>	<u>Item Requested</u>	<u>Definition and Reporting Procedures</u>
12	Traffic Sensitive Switched Access Minutes	<p>Traffic Sensitive Switched Premium and Non-Premium originating and terminating switched access minutes from usage billed to interexchange carriers.</p> <p><u>Includes:</u></p> <ul style="list-style-type: none"><li>• all Feature Group A, B, C, and D interstate access minutes of use switched in a Class 5 end office</li><li>• closed end of WATS/800 service at WATS serving office</li></ul> <p><u>Excludes:</u></p> <ul style="list-style-type: none"><li>• the closed end of WATS/800 service if CO doesn't perform WATS screening function</li></ul>
*13	Traffic Sensitive Switched Access Earned Revenue	<p>Amount charged for all traffic sensitive interstate switched access rate elements.</p> <p><u>Includes:</u></p> <ul style="list-style-type: none"><li>• revenues from your portion of jointly provided access</li><li>• non-recurring access charges</li><li>• revenue from revenue sharing agreements</li><li>• \$5.00 pre-subscription change charge</li><li>• 800 Database query charges/revenues</li><li>• Non-Recurring Charges</li><li>• Directory Assistance</li><li>• Transport Entrance Facility</li><li>• Direct-Trunked Transport<ul style="list-style-type: none"><li>- Termination</li><li>- Facility</li></ul></li><li>• Tandem-Switched Transport<ul style="list-style-type: none"><li>- Tandem Switching</li><li>- Termination</li><li>- Facility</li></ul></li></ul>

## Data Entry Instructions for the EC1070-I

<u>Line Number</u>	<u>Item Requested</u>	<u>Definition and Reporting Procedures</u>
*13	Traffic Sensitive Switched Access Earned Revenue (Cont'd)	<u>Excludes:</u> <ul style="list-style-type: none"><li>• special access revenues.</li><li>* <i>Additional information for this items appears on page 5-5.</i></li></ul>
14	Traffic Sensitive Switched Access Net Realized Uncollectibles	Interstate access revenue that the EC is lawfully entitled to receive by which is impossible/impracticable to collect. Amount reported must be realized uncollectibles that have actually been written off. Uncollectible revenues may be reported to the pool in the month realized by the exchange carrier.  <u>Includes:</u> <ul style="list-style-type: none"><li>• amount determined to be uncollectible</li><li>• offset for any previously reported uncollectibles that have been recovered.</li></ul>
15	Traffic Sensitive Switched Access Net Earned Revenue	<u>Calculation:</u> Line 13-Line 14
16	Traffic Sensitive Special Access Earned Revenue	Amount charged for all traffic sensitive interstate special access rate elements.  <u>Includes:</u> <ul style="list-style-type: none"><li>• all interstate special access service revenue</li><li>• non-recurring charges</li><li>• revenues from your portion of jointly provided access.</li></ul>
17	Traffic Sensitive Special Access Net Realized Uncollectibles	Interstate access revenue that the company is lawfully entitled to receive by which is impossible/impracticable to collect. Amount reported must be realized uncollectibles that have actually been written off. Uncollectible revenues may be reported to the pool in the month realized by the exchange carrier.  <u>Includes:</u> <ul style="list-style-type: none"><li>• amounts determined to be uncollectible</li><li>• offset for any previously reported uncollectibles that have been recovered.</li></ul>

## Data Entry Instructions for the EC1070-I

<u>Line Number</u>	<u>Item Requested</u>	<u>Definition and Reporting Procedures</u>
18	Traffic Sensitive Special Access Net Earned Revenue	<u>Calculation:</u> Line 16-Line 17
19	Traffic Sensitive - Other	Reserved for special reporting conditions. All items reported on this line must be approved in advance by NECA.
20	Lifeline Connection	Amounts reported for FCC approved Lifeline Connection Assistance program.
21	End User SLC Waiver	Amounts reported for FCC approved Subscriber Line Charge Waiver Program.

## **Additional Reporting Information**

### **Line 13 Traffic Sensitive Switched Access Earned Revenue**

800 Database Query Charges/Revenues:

Amount charged for all traffic sensitive interstate switched access rate elements

#### **Includes:**

-800 database query charges/revenues

One of the following reporting options must be used:

- A. Exchange Carriers that do not own an SSP, and do not bill interexchange carriers for 800 database queries, do not report 800 database query information to NECA.
- B. Exchange Carriers that do not own an SSP, but do bill interexchange carriers directly for 800 database queries for calls from their end offices, report the net of:
  - all interstate 800 database query charge revenues billed to interexchange carriers; and
  - all interstate 800 database query charges paid to access the 800 database including transport.
- C. Exchange Carriers that own an SSP and launch and bill for 800 database queries for their end offices only, or for their end offices and for end offices of other exchange carriers, report the net of:
  - all interstate 800 database query charge revenues billed to interexchange carriers and/or exchange carriers; and
  - all interstate 800 database query charges paid to access the 800 database including transport.

### **Lines 13 and 15 Access Billing Claim Adjustments**

If an exchange carrier negotiates a reasonable billing adjustment amount with an interexchange carrier, it may report the full adjustment amount to the pool, plus or minus interest. This is reported as either a reduction or increase in revenues. To make these adjustments, it is necessary to report them as DMAs or RAs to the data months to which the revenue was originally reported. Exchange carriers should notify NECA of potential significant billing adjustments prior to reporting them to the pool.

Interest billed to an interexchange carrier or other access customer for late payment of access revenues should not be reported to the pool. This is to reimburse the exchange carrier for its "cost of money" associated with the delinquent payment.

### **Lines 13 and 15 Meet Point Billing**

For exchange carriers participating in meet point billing arrangements, access revenues reported to the NECA pools should only be for the NECA exchange carriers' portion of the jointly provided service. If the bill rendering company charges the interexchange carrier at a rate different than NECA's, the NECA exchange carrier should be compensated at NECA rates. The NECA exchange carrier subsequently should report its share of the revenues to the NECA pools.

### **Lines 14 and 17 Net Realized Uncollectibles**

Exchange carriers should notify NECA of significant outstanding accounts receivable by the 18th month of the settlement cycle. NECA will work with the exchange carrier to resolve the accounts receivable or claims. Uncollectible Revenues may be reported to the pool in the month realized by the exchange carrier. It is important for exchange carriers to maintain adequate documentation of all collection efforts. Contact your region office for guidance.

Exchange carriers should not classify, in accounting terms, past due end user or CABS revenues as uncollectible until reasonable collection efforts have been exhausted. NECA's Tariff FCC No 5 2.1.8 (A) states "The Telephone Company may, on thirty (30) days written notice to the customer by certified US mail, take the following actions:

- refuse additional applications for service and/or refuse to complete any pending orders for service, and/or
- discontinue the provision of service to the customer."

## SECTION 6

### Revenue & Cost Analysis

While monthly settlements constitute member companies' most frequent contact with NECA, pooling is the foreground of a larger process: revenue & cost analysis. The purpose of revenue & cost analysis is to achieve the highest allowable pool return for members, develop rates that accurately represent costs and control pool earnings erosion.

The estimates that pool members submit each month are replaced with actual numbers as companies conduct quarterly or annual cost studies. Cost studies, which provide an accurate accounting of a completed time period, are verified to assure pool integrity. In addition, the rates NECA files on behalf of pool participants are based on forecasts and pooling data exchange carriers report. If completed cost studies show higher than estimated costs, the rates built on those estimates don't allow full cost recovery for the pool. Since rates cannot be adjusted retroactively, earnings decline or "erosion" occurs.

Revenue & cost analysis anticipates and tries to prevent earnings erosion by using completed cost studies to build a three year cost projection for each pool participant. NECA cost analysis managers work with member companies to combine this projection with telephone company managers' knowledge of their present and future construction and operations plans. The result is a mutually agreed upon cost forecast that combines historic data with anticipated future costs.

NECA uses forecast cost data as the basis for rate development. In addition, company forecasts will be used during pooling to compare monthly cost estimates with the forecast. If the data varies greatly, NECA can take action, via a corrective rate filing. By working with member companies to obtain the most accurate data available, NECA can help prevent earnings erosion and maintain the highest allowable rate of return.

#### 6.1 Cost Study documentation

NECA requires exchange carriers to submit a copy of their interstate Part 36 and 69 Cost Study (including total company). This cost separations and access study should be at the level of account, category (including equal access category) and element detail required by the FCC rules, including apportionment/separation factors and common line sub-element costs (inside wire, pay telephone and Base Factor Portion). Please include sourcing of internal program allocations if not displayed on the cost study output. For exchange carriers that submit quarterly cost studies, a study must be submitted for every quarter.

Pursuant to Section 69.601 of the FCC Rules, Exchange Carriers are required to certify all Quarterly and Annual cost study data submitted to NECA. An officer or employee responsible for the preparation of cost study data, and authorized to execute the certification, is required to certify the data submitted to NECA. By certifying the data, the officer or employee indicates that all information submitted to NECA is complete, accurate, and consistent with FCC rules.



In addition the following items must be provided in support of the cost studies. Please note that the certification form must accompany every quarterly cost study as well as any cost study update submitted to NECA.

1. Copies of the study area's financial records, by account, which underlie the cost study. A copy of the certification as shown in Exhibit 6.1 must also accompany this submission. Include an explanation and work papers for adjustments (including Part 64 Allocations), treatment of non-regulated costs by account in sufficient detail to reconcile between the financial records and investment, expense and other tax amounts input to the separations cost study. Include averaging workpapers which show previous and current end-of-year investments and adjustments. (See #3 following).
2. A worksheet showing the FIT income adjustment amounts (operating and non-operating fixed charges, excess deferred tax flowthrough, etc.). Include a worksheet (e.g., Exhibit 5.2 or equivalent) which shows the calculation of the effective normalized FIT rate for the regulated operations. If effective FIT rate is less than 35%, include a copy of Exhibit 5.1 of the Pool Administration Procedures or its equivalent used to modify income adjustments for pool reporting purposes. If effective FIT rate is 35%, no adjustment is necessary.
3. The financial workpapers for investment, reserves and adjustments in sufficient detail to substantiate year-end levels reported for USF. These workpapers should include breakdowns for Accounts 3100, 4340 and 6560 into 2210, 2220, 2230 and 2410 components.
4. Annual expense matrix summary that provides the rents and benefits amounts used for USF.
5. The total company dial equipment minutes, equal access minutes, subscriber line minutes, and toll messages - each by jurisdiction (interstate, state and local) - that support the factors used in the cost study and network usage reports. Include development of Weighted DEM (COE, Cat. 3) factor and SPF if 5% Rule is being implemented.
6. A copy of the summary work paper(s), which identify the loops, (total and Cat. 1.3), circuit terminations and circuit mile counts used in the cost study. Also include a reconciliation of average cost study loops to year-end loop counts used for USF.
7. Workpapers supporting interstate Cash Working Capital (CWC) computations.
8. COE power and common equipment allocation methodology and workpapers used in the cost study as well as year-end power and common investment used for USF (Cat. 4.13).

The above list is a minimum requirement to permit NECA to insure pool integrity for all members. Other data may be requested by the regions to support specific data requests or needs. These requests will be coordinated with the exchange carriers and consultants to minimize additional workload.

Information and assistance on this process may be obtained by contacting the NECA Regional Office. If revised cost study is being submitted, then a list identifying the Part 36 input changes should be attached.

Exhibit 6.1

**NATIONAL EXCHANGE CARRIER ASSOCIATION**  
**COST STUDY CERTIFICATION FORM**

I am \_\_\_\_\_ . I hereby certify that I have overall responsibility for the  
(Title of Certifying Officer or Employee)  
preparation of all data in the attached \_\_\_\_\_ data submission  
(Title of Data Submission)  
for \_\_\_\_\_ and that I am authorized to execute this certification.  
(Name of Carrier)

Based on information known to me or provided to me by employees responsible for the preparation of the data in this submission, I hereby certify that the data have been examined and reviewed and are complete, accurate, and consistent with the rules of the Federal Communications Commission.

Date: \_\_\_\_\_

Certifying Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Pursuant to FCC Rules (Section 69.601) Exchange Carriers are required to certify data submitted to NECA.

(FCC Rules state persons making willful false statements in this data submission can be punished by fine or imprisonment under the provisions of the U.S. Code, Title 18, Section 1001.)



(201) 884-8180

**Western Region (Denver, CO)**

John Bishop	Director - Member Services	(303) 892-9922
Dan Krueger	Manager - Member Services	(303) 892-9922
Aggie McDonald	Associate Manager - Member Services	(303) 892-9922

Mailing Address: 1050 17th Street, Suite 1950, Denver, CO 80202

Telefax Number: (303) 892-1533  
(800) 551-1328

Contact Number: (303) 892-9922

WATS Line: (800) 892-3322

**North Central Region (Omaha, NE)**

Al Bartels	Director - Member Services	(402) 393-4055
Gary Neill	Manager - Member Services	(402) 393-4055
Jeanine Allen	Associate Manager - Member Services	(402) 393-4055

Mailing Address: 1125 South 103rd Street, Suite 120  
Omaha, NE 68124-1070

Telefax Number: (402) 393-1157  
(800) 367-5058

Contact: (402) 393-4055

WATS Line: (800) 228-0180

### **Industry Relations (*Whippany, NJ*)**

Richard Snopkowski	VP - Industry Relations Eastern U.S. (201) 884-8319	
Anna May Davis	Director - IR Pool Administration	(201) 884-8068
Joseph Silvernail	Manager - Settlement Operations	(201) 884-8028
William McKoy	Manager - Settlement Methods	(201) 884-8259
Melanie Proehl	Manager - Settlement Administration	(201) 884-8049
Alan Pedersen	VP - Industry Relations Western U.S. (201) 884-8180	
Mannie Green	Director - Cost Analysis & Member Information	(201) 884-8101
Bill Wahlers	Manager - IR Systems Support	(201) 884-8012
Mailing Address:	100 South Jefferson Road, Whippany, NJ 07981	
Telefax Number:	(201) 884-8457 (201) 884-8469 or 8470	
Contact Number:	(201) 884-8203	

### **Tariffs & Costs (*Whippany, NJ*)**

William E. Stern	VP - Tariffs & Costs	(201) 884-8060
John Ricker	Director - USF & Support Programs	(201) 884-8085
Thomas Webb	Manager - Universal Service Programs	(201) 884-8067
Mailing Address:	100 South Jefferson Road, Whippany, NJ 07981	
Telefax Number:	(201) 884-8469 or 8470	
Contact Number:	(201) 884-8203	

## SECTION 8

### Glossary

The following definitions include IC1070-I input line items as well as various miscellaneous definitions that further explain the settlement process terminology.

#### Access Lines in Service

End of period count of all working communication facilities extending from an end user terminating in a Class 5 End Office that are or may be used for local exchange service.

For multiparty service, the number of access lines equals the number of lines (*loops*) terminating on the main frame of the central office.

The reported lines should include semi-public paystation lines, access lines used for Customer Owned Coin Operated Telephone Sets (*COCOTS*), and employee concession lines. Excluded are company official lines, public paystations lines and special access lines, i.e., FX service at either the closed or open end, WATS/800 service lines at closed end, etc.

#### Access Minutes

Carrier common line premium and non-premium originating and terminating access minutes associated with premium and non-premium earned revenues are reported to the pool from usage billed to interexchange carriers as referenced in Section 2 of the NECA Access Service Tariff FCC No. 5.

#### Average Schedule Company

An exchange carrier for which pool revenue distributions (*settlements*) are developed by using nationwide "average schedule" formulas approved by the FCC.

#### Base Factor Portion (*BFP*)

The BFP is the subscriber line revenue requirement that excludes public telephone and inside wire.

### **Carrier Common Line (CCL) Earned Revenues**

**A. Premium:** FGC & FGD revenue earned at premium rates. FGA & FGB revenue earned at premium rates after end office conversion to equal access. Includes interstate (*interLATA*, *intraLATA* and *corridor*) access revenue and revenue from revenue sharing agreements in equal access end offices. Excludes message toll service revenue and FGA & FGB revenue at non-premium rates in a non-equal access end office.

**B. Non-Premium:** FGA & FGB revenue earned at non-premium rates. Includes revenue associated with FGA & FGB access minutes in non-equal access end offices and revenue from revenue sharing agreements in non-equal access end offices.

**C. Special Access Surcharge:** Revenue earned by applying a flat rate charge to the number of special access lines to which the surcharge applies.

### **Cash Flow**

Cash flow consists of a current month's settlement minus current month's revenues. In addition support flows such as USF and Lifeline Assistance are included as well as any prior period net adjustments. See also Total Net Balance.

### **Cost Company**

An exchange carrier whose revenue distributions (*settlements*) are developed based on the individual exchange carrier's operating expenses and taxes, average net investment, etc.

### **Cost Study**

An end of period study to apportion total costs between the interstate and intrastate jurisdictions. For NECA reporting purposes, the interstate portion of the cost study provides actual figures for average net investment, income tax and expenses. NECA validates cost study data for compliance with FCC rules to ensure pool integrity. Cost studies form the basis for access rates developed by NECA to recover member company future costs.

### **Customer Dividend**

A predetermined portion of an exchange carrier's earnings that is returned to its customers through a reduction of the EC's settlement rate.



### **Data Month**

Accounting period for which information is entered on the books of the exchange carrier. For pooling purposes there are 25 separate data months included in each monthly settlement cycle.

### **Data Month Adjustment (DMA)**

The difference between a prior data month estimate (*DME*) and the most recent estimated or actual data for that month. A DMA may only be reported for the most recent three prior months. For adjustments to data months prior to this period, a retroactive adjustment (*RA*) will be required.

### **Data Month Estimate (DME)**

Best estimate of the current data month. This pooling information utilizes the exchange carrier's available actual historical data and estimated future growth to forecast future periods.

### **Earned Revenue**

Revenue that the individual exchange carrier is entitled to receive for furnishing access services less any amount owed to another exchange carrier for jointly provided service.

### **End User Earned Revenue**

Revenue generated from the flat rate subscriber line charges billed to end users as referenced in Section 4 of the NECA Access Service Tariff FCC No. 5.

### **End User Subscriber Line Charge (EU SLC) Waiver**

Subscriber Line Charge (*SLC*) revenue that an EC waived to enable low income subscribers to obtain telephone service. Before this EU SLC Waiver can be reported to NECA, the exchange carrier must participate in either the FCC's:

- 0% up to 100% waiver program which must be certified or
- 50% non-certified waiver program.

Contact your NECA Regional Office for details.

### **Exogenous Costs**

Exogenous costs are certain costs incurred by an exchange carrier, caused by administrative, legislative, or judicial requirements beyond the control of the carrier. Exogenous cost are limited to those costs that the Commission shall permit or require. Exogenous costs include:

- (1) The completion of the amortization of depreciation reserve deficiencies;
- (2) Changes in the Uniform System of Accounts that affect discounted cash flow;
- (3) Changes in the Separations Manual;